



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 416

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: March 9, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 416, as presented with amendment, provides that the federal adjusted gross income for all retirees from all state operated public employee retirement systems, the U.S. Civil Service Retirement System and the U.S. Military Retirement System would be excluded from paying state income tax on the amount of the first \$12,000 of retirement income. The applicable retirement systems which would receive this benefit are the School Employees Retirement System, the Class V School Employees Retirement System, the County Employees Retirement System, the Judges Retirement System, the Nebraska State Patrol Retirement System, the State Employees Retirement System, the U.S. Civil Service Retirement System, and the U.S. Military Employees Retirement System.

Under LB 416, taxpayers filing a joint return would receive \$24,000 in retirement exclusion if both spouses receive qualifying retirement income. The exclusion would be phased in over a five-year period at 20% each year.

Principal Introducer: _____
Senator Russ Karpisek